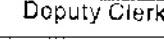


**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA**

GARY GERTSEN, et al.,	:	CIVIL ACTION	FILED HARRISBURG, PA APR 26 2007
Plaintiffs,	:		
v.	:	NO. 04-cv-1779	
FIRST HORIZON HOME LOAN	:	(Consolidated)	
CORPORATION, et al.,	:		MARY E. D'ANDREA, CLERK Per  Deputy Clerk
Defendants.	:		

STEVEN CARR, et al.,	:		APR 26 2007
Plaintiffs,	:		
v.	:	NO. 06-cv-1114	
FIRST HORIZON HOME LOAN	:		
CORPORATION, et al.,	:		MARY E. D'ANDREA, CLERK Per  Deputy Clerk
Defendants.	:		

MICHAEL AND VICTORIA HOLT, et al.,	:		APR 26 2007
Plaintiffs,	:		
v.	:	NO. 06-cv-0018	
FIRST HORIZON HOME LOAN	:		
CORPORATION, et al.,	:		MARY E. D'ANDREA, CLERK Per  Deputy Clerk
Defendants.	:		

**JOINT STATEMENT OF LEGAL AND
FACTUAL JUSTIFICATION FOR SEALING ORDER**

The plaintiff's in the above-captioned actions ("Plaintiff's") more specifically identified on Exhibit "A" to the Joint Motion and defendants, Old Republic National Title Insurance Company, First Horizon Home Loan Corporation d/b/a MNC Mortgage, FT Mortgage d/b/a MNC Mortgage, Cynthia Baxter Wolf, Michael Sedor, Penn State Abstract Company, Guardian Home Funding, Inc. t/d/b/a Arrow Mortgage Group, U.S. Mortgage Finance Corporation,

Coastal Capital Corporation (the "Settling Defendants")¹, by and through their undersigned counsel, hereby submit this Joint Statement of Legal and Factual Justification for Sealing Order in support of their Joint Motion to File a Document Under Seal.

The Plaintiffs and the Settling Defendants state as follows:

1. The Plaintiffs and the Settling Defendants have agreed to the compromise and settlement of the above-captioned lawsuits (the "Settlement") subject to terms and conditions set forth in a settlement agreement (the "Settlement Agreement").
2. The Settlement Agreement contains a provision (the "Court Approval Provision") creating an escrow fund and providing that any payments from the escrow fund to the Plaintiffs are "expressly conditioned on approval of the Settlement by the [United States District Court for the Middle District of Pennsylvania] in the Lawsuits and the entry of a final written order which shall: (1) approve the Settlement as fair and reasonable; (2) approve the releases and assignment of claims provided for herein as fair and reasonable; and (3) provide that the District Court shall retain jurisdiction of this action for the purposes of enforcement of the Settlement Agreement."
3. The Settlement Agreement also contains a confidentiality provision (the "Confidentiality Provision") that provides:

Confidentiality. Except as provided herein, the terms and conditions of this Settlement shall be strictly confidential. The parties agree, on their own behalf and on behalf of their attorneys, that no terms of the Settlement may be disclosed to third parties and that the only statement that can be made to third parties regarding the Lawsuits is that an agreement acceptable to all parties has been reached, and that, therefore, Plaintiffs' claims in the Lawsuits have been dismissed. However, nothing in this Settlement Agreement shall prevent the parties from making disclosures regarding the terms of the Settlement: (a) to their attorneys and accountants, only to the extent necessary to receive legal, accounting, or tax advice or to conduct financial affairs; (b)

¹ Although defendants Appraisals, Ltd. and Matthew Flohr have settled the Plaintiffs' claims against them, they are not participating in this filing because they have already paid their share of the settlement funds to the Plaintiffs. Defendant Charles Rees Brown has not yet signed the Settlement Agreement and, therefore, he is not a signatory to this document although it is anticipated that the Plaintiffs' claims against him will be settled.

as otherwise required by court order, a rule of law, or regulation, including regulations relating to financial reporting and/or disclosure; or (c) as otherwise reasonably necessary in order to effectuate or enforce the Settlement.

4. The Court Approval Provision and the Confidentiality Provision were negotiated by the Plaintiffs and the Settling Defendants and are integral components of the Settlement Agreement because, without them, the Settlement would not be possible.

5. To obtain Court approval of the Settlement (and, thus, to comply with the Court Approval Provision), the Plaintiffs and the Settling Defendants intend to file a Joint Motion for Court Approval of Settlement and attach the Settlement Agreement as an exhibit.

6. The Plaintiffs and the Settling Defendants seek a sealing order with respect to the Joint Motion for Court Approval of Settlement because, if the document is not filed under seal, the Plaintiffs and the Settling Defendants will be unable to obtain compliance with the Confidentiality Provision.

7. Good cause exists for the sealing of the Joint Motion for Court Approval of Settlement.

Dated: April 25, 2007

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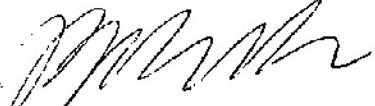
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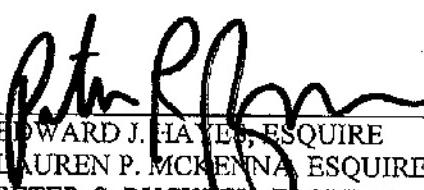
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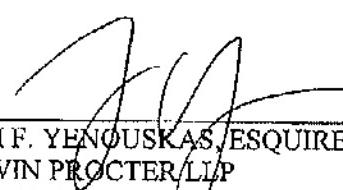
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